

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

**Re: ECF Nos. 13804, 13582, 14032,
14072, 14074**

(Jointly Administered)

**URGENT CONSENTED MOTION FOR ENTRY OF JOINT STIPULATION AND
ORDER REGARDING SALUD INTEGRAL EN LA MONTAÑA, ET AL.’S
MOTION FOR RELIEF FROM THE AUTOMATIC STAY (ECF NO. 13582)**

To the Honorable United States District Court Judge Laura Taylor Swain:

The Commonwealth of Puerto Rico (the “Commonwealth”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the Commonwealth’s representative pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² respectfully submits this urgent consented motion for entry of the stipulation and order attached hereto as **Exhibit A** (the

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Building Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² PROMESA has been codified in 48 U.S.C. §§ 2101–2241.

“Stipulation and Order”), extending the deadlines set forth in the *Order Granting Urgent Consented Motion for Extension of Deadlines* [ECF No. 14074] (the “Scheduling Order”).

Request for Relief

1. On July 7, 2020, Salud Integral en la Montaña, Corporación de Servicios de Salud y Medicina Avanzada, Neomed Center, Migrant Health Center, HPM Foundation, Morovis Community Health Center, and Concilio de Salud Integral de Loiza (collectively, the “Movants”), filed the *Motion of Salud Integral en la Montaña, Corporación de Servicios de Salud y Medicina Avanzada, Neomed Center, Migrant Health Center, HPM Foundation, Morovis Community Health Center, and Concilio de Salud Integral de Loiza for Allowance and Payment of Administrative Expense Claim, or in the Alternative, Relief from the Automatic Stay* [ECF No. 13582] (the “Motion”) requesting that the Court enter an order to allow Movants’ asserted claims for administrative expenses in connection with a postpetition stipulation and/or lift the automatic stay and remand to the United States District Court for the District of Puerto Rico in the action captioned *Community Health Center, Inc., et al. v. Hon. Rafael Rodriguez Mercado, Secretary, Department of Health Commonwealth of Puerto Rico*, Case No. 03-1640 (Consolidated with Case Nos. 06-1291, 06-1524) (the “Lawsuit”), for enforcement of the asserted payment obligations to Movants. Mot. at 12–13.³

2. On August 20, 2020, this Court entered the Scheduling Order, which provides that objections to the Motion must be filed by August 21, 2020, and Movants’ reply papers by August 28, 2020.

³ The Lawsuit is subject to this Court’s *Eleventh Omnibus Order Granting Relief from the Automatic Stay* [ECF No. 8499], which modified the automatic stay set forth in Bankruptcy Code sections 362(a) and 922(a), as made applicable to this case by PROMESA section 301(a) (the “Title III Stay”) to allow solely to the limited extent necessary to allow the Commonwealth to continue to issue the prospective quarterly wraparound payments. Pursuant to this Court’s Order, the Title III Stay remains in place in all other respects to the Lawsuit, including claims for damages, and execution and enforcement of any judgment for damages. *Id.*

3. The Debtor and Movants have entered into a stipulation to consensually resolve the Motion, which provides, among other things, for the payment of the asserted shortfall amount by September 1, 2020, the withdrawal of the Motion within two (2) business days after the payment is made, and the following extensions of the deadlines set forth in the Scheduling Order:

- The deadline to file objections to the Motion shall be extended to **September 4, 2020.**
- The deadline for Movants to file a reply shall be extended to **September 11, 2020.**

4. The Debtor discussed this request with counsel for Movants who consented to the relief requested herein.

5. Accordingly, the Stipulation and Order attached hereto as **Exhibit A** has been executed by the Debtor and Movants and is now being presented to this Court through this Urgent Motion for approval and entry on the docket.

6. Pursuant to Paragraph 1.H of the *Thirteenth Amended Notice, Case Management and Administrative Procedures* [ECF No. 13512-1] (the “Case Management Procedures”), the Debtor hereby certifies that it has carefully examined the matter and concluded that there is a true need for an urgent motion; it has not created the urgency through any lack of due diligence; has made a bona fide effort to resolve the matter without a hearing; has made reasonable, good-faith communications in an effort to resolve or narrow the issues that are being brought to the Court, and no party opposes the relief requested herein.

Notice

7. The Debtor has provided notice of this motion in accordance with the Case Management Procedures to the following parties: (a) the Office of the United States Trustee for the District of Puerto Rico; (b) the indenture trustees and/or agents, as applicable, for the Debtors’

bonds; (c) the entities on the list of creditors holding the 20 largest unsecured claims against COFINA; (d) counsel to the statutory committees appointed in these Title III cases; (e) the Office of the United States Attorney for the District of Puerto Rico; (f) counsel to the Oversight Board; (g) the Puerto Rico Department of Justice; (h) the Other Interested Parties;⁴ (i) all parties filing a notice of appearance in these Title III cases; and (j) Movants. A copy of the motion is also available on the Debtors' case website at <https://cases.primeclerk.com/puertorico/>.

8. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

[Remainder of Page Intentionally Left Blank]

⁴ The “Other Interested Parties” include the following: (i) counsel to certain of the insurers and trustees of the bonds issued or guaranteed by the Debtors; and (ii) counsel to certain ad hoc groups of holders of bonds issued or guaranteed by the Debtors.

WHEREFORE the Debtor requests the Court to approve and enter the Stipulation and Order, attached hereto as **Exhibit A**, and grant such other relief as is just and proper.

Dated: August 21, 2020

New York, New York

Respectfully submitted,

O'NEILL & BORGES LLC

By: /s/ Hermann D. Bauer
Hermann D. Bauer
USDC No. 215205
250 Muñoz Rivera Ave., Suite 800
San Juan, PR 00918-1813
Telephone: (787) 764-8181
Facsimile: (787) 753-8944
Email: hermann.bauer@oneillborges.com

PROSKAUER ROSE LLP

By: /s/ Brian S. Rosen
Martin J. Bienenstock*
Brian S. Rosen*
Eleven Times Square
New York, NY 10036
Telephone: (212) 969-3000
Facsimile: (212) 969-2900
Email: mbienenstock@proskauer.com
brosen@proskauer.com

* admitted *pro hac vice*

*Attorneys for the Financial Oversight and
Management Board and as Representative
of the Commonwealth*

Exhibit A

Joint Stipulation and Order